
By: **Delegates James, Anderson, Aumann, Barkley, Bartlett, Boschert, Boteler, Bozman, Brown, Cadden, G. Clagett, Cluster, DeBoy, Dwyer, Edwards, Frank, Glassman, Griffith, Impallaria, Jennings, Jones, Kach, Kelly, Leopold, Madaleno, Malone, McHale, McKee, Minnick, O'Donnell, Owings, Parrott, Rudolph, Shank, Trueschler, F. Turner, and Vallario**

Introduced and read first time: February 12, 2004
Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **State Police Retirement System - Retirees and Beneficiaries of Retirees -**
3 **Benefits**

4 FOR the purpose of setting a minimum retirement allowance for certain retirees and
5 beneficiaries of retirees of the State Police Retirement System who retire by a
6 certain date; increasing the service retirement allowance, ordinary disability
7 retirement allowance, and special disability retirement allowance of certain
8 retirees and beneficiaries of retirees of the State Police Retirement System who
9 retire by a certain date with a certain amount of service credit; providing for the
10 funding of certain benefits in this Act; and generally relating to benefits for
11 retirees or beneficiaries of retirees of the State Police Retirement System.

12 BY adding to
13 Article - State Personnel and Pensions
14 Section 24-401(f)
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 2003 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article - State Personnel and Pensions
19 Section 29-107 and 29-111
20 Annotated Code of Maryland
21 (1997 Replacement Volume and 2003 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
23 MARYLAND, That the Laws of Maryland read as follows:

1 AMOUNT THE RETIREE'S ADJUSTMENT WOULD HAVE BEEN UNDER PARAGRAPH (2)(II)
2 OF THIS SUBSECTION.

3 (4) EACH FISCAL YEAR, THE BOARD OF TRUSTEES SHALL INCREASE THE
4 ADJUSTMENT UNDER THIS SUBSECTION BY MULTIPLYING THE ADJUSTMENT
5 RECEIVED BY THE RETIREE OR THE BENEFICIARY AS OF JULY 1, 2004, BY A FRACTION
6 THAT HAS:

7 (I) AS ITS NUMERATOR, THE CONSUMER PRICE INDEX FOR THE
8 CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR; AND

9 (II) AS ITS DENOMINATOR, THE CONSUMER PRICE INDEX FOR THE
10 CALENDAR YEAR ENDING DECEMBER 31, 2003.

11 29-107.

12 (a) This section applies only to members of the State Police Retirement
13 System.

14 (b) An ordinary disability retirement allowance equals the greater of:

15 (1) a normal service retirement allowance; or

16 (2) 35% of the member's average final compensation.

17 (C) (1) (I) THIS PARAGRAPH APPLIES ONLY TO A RETIREE OR A
18 BENEFICIARY OF A RETIREE WHO:

19 1. RETIRES ON OR BEFORE JUNE 30, 2004, WITH AN
20 ORDINARY DISABILITY RETIREMENT ALLOWANCE; AND

21 2. HAD AT LEAST 22 YEARS OF SERVICE CREDIT AT THE TIME
22 OF RETIREMENT.

23 (II) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A RETIREE
24 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL RECEIVE A MINIMUM
25 ANNUAL ORDINARY DISABILITY RETIREMENT ALLOWANCE OF \$35,000 AS OF JULY 1,
26 2004.

27 (III) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A
28 BENEFICIARY OF A RETIREE DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH
29 SHALL RECEIVE A MINIMUM ANNUAL ORDINARY DISABILITY RETIREMENT
30 ALLOWANCE OF \$17,500 AS OF JULY 1, 2004.

31 (2) (I) THIS PARAGRAPH APPLIES ONLY TO A RETIREE WHO:

32 1. RETIRES ON OR BEFORE JUNE 30, 2004, WITH AN
33 ORDINARY DISABILITY RETIREMENT ALLOWANCE;

34 2. HAD LESS THAN 22 YEARS OF SERVICE CREDIT AT THE
35 TIME OF RETIREMENT; AND

1 3. IS RECEIVING AN ANNUAL ORDINARY DISABILITY
2 RETIREMENT ALLOWANCE THAT IS NOT MORE THAN \$35,000 AS OF JULY 1, 2004.

3 (II) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A RETIREE
4 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL RECEIVE AN
5 ADJUSTMENT TO THE RETIREE'S ANNUAL ORDINARY DISABILITY RETIREMENT
6 ALLOWANCE EQUAL TO THE PRODUCT OF MULTIPLYING:

7 1. THE NUMBER OF MONTHS OF SERVICE CREDIT THAT THE
8 RETIREE HAD AT THE TIME OF RETIREMENT DIVIDED BY 264; AND

9 2. THE DIFFERENCE BETWEEN \$35,000 AND THE RETIREE'S
10 ANNUAL ORDINARY DISABILITY RETIREMENT ALLOWANCE AS OF JULY 1, 2004.

11 (3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A BENEFICIARY
12 OF A RETIREE DESCRIBED IN PARAGRAPH (2)(I) OF THIS SUBSECTION WHO IS
13 RECEIVING AN ANNUAL ORDINARY DISABILITY RETIREMENT ALLOWANCE THAT IS
14 NOT MORE THAN \$17,500 AS OF JULY 1, 2004, SHALL RECEIVE AN INCREASE TO THE
15 BENEFICIARY'S ANNUAL ORDINARY DISABILITY RETIREMENT ALLOWANCE EQUAL
16 TO 50% OF THE AMOUNT THE RETIREE'S ADJUSTMENT WOULD HAVE BEEN UNDER
17 PARAGRAPH (2)(II) OF THIS SUBSECTION.

18 (4) EACH FISCAL YEAR, THE BOARD OF TRUSTEES SHALL INCREASE THE
19 ADJUSTMENT UNDER THIS SUBSECTION BY MULTIPLYING THE ADJUSTMENT
20 RECEIVED BY THE RETIREE OR THE BENEFICIARY AS OF JULY 1, 2004, BY A FRACTION
21 THAT HAS:

22 (I) AS ITS NUMERATOR, THE CONSUMER PRICE INDEX FOR THE
23 CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR; AND

24 (II) AS ITS DENOMINATOR, THE CONSUMER PRICE INDEX FOR THE
25 CALENDAR YEAR ENDING DECEMBER 31, 2003.

26 29-111.

27 (a) This section applies to the State Police Retirement System.

28 (b) The Board of Trustees shall grant a special disability retirement allowance
29 to a member if:

30 (1) the member is totally and permanently incapacitated for duty arising
31 out of or in the course of the actual performance of duty without willful negligence by
32 the member; and

33 (2) the medical board certifies that:

34 (i) the member is totally incapacitated, either mentally or
35 physically, for the further performance of duty;

36 (ii) the incapacity is likely to be permanent; and

1 (iii) the member should be retired.

2 (c) Except as provided in subsection (d) of this section, a special disability
3 retirement allowance equals the lesser of:

4 (1) the member's average final compensation; or

5 (2) the sum of:

6 (i) an annuity that is the actuarial equivalent of the member's
7 accumulated contributions at retirement; and

8 (ii) a pension equal to two-thirds of the member's average final
9 compensation.

10 (d) (1) This subsection applies to a member who is at least normal
11 retirement age.

12 (2) A special disability retirement allowance equals the greater of:

13 (i) a normal service retirement allowance; or

14 (ii) a special disability retirement allowance computed in
15 accordance with subsection (c) of this section.

16 (E) (1) (I) THIS PARAGRAPH APPLIES ONLY TO A RETIREE OR A
17 BENEFICIARY OF A RETIREE WHO:

18 1. RETIRES ON OR BEFORE JUNE 30, 2004, WITH A SPECIAL
19 DISABILITY RETIREMENT ALLOWANCE; AND

20 2. HAD AT LEAST 22 YEARS OF SERVICE CREDIT AT THE TIME
21 OF RETIREMENT.

22 (II) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A RETIREE
23 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL RECEIVE A MINIMUM
24 ANNUAL SPECIAL DISABILITY RETIREMENT ALLOWANCE OF \$35,000 AS OF JULY 1,
25 2004.

26 (III) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A
27 BENEFICIARY OF A RETIREE DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH
28 SHALL RECEIVE A MINIMUM ANNUAL SPECIAL DISABILITY RETIREMENT
29 ALLOWANCE OF \$17,500 AS OF JULY 1, 2004.

30 (2) (I) THIS PARAGRAPH APPLIES ONLY TO A RETIREE WHO:

31 1. RETIRES ON OR BEFORE JUNE 30, 2004, WITH A SPECIAL
32 DISABILITY RETIREMENT ALLOWANCE;

33 2. HAD LESS THAN 22 YEARS OF SERVICE CREDIT AT THE
34 TIME OF RETIREMENT; AND

1 3. IS RECEIVING AN ANNUAL SPECIAL DISABILITY
2 RETIREMENT ALLOWANCE THAT IS NOT MORE THAN \$35,000 AS OF JULY 1, 2004.

3 (II) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A RETIREE
4 DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL RECEIVE AN
5 ADJUSTMENT TO THE RETIREE'S ANNUAL SPECIAL DISABILITY RETIREMENT
6 ALLOWANCE EQUAL TO THE PRODUCT OF MULTIPLYING:

7 1. THE NUMBER OF MONTHS OF SERVICE CREDIT THAT THE
8 RETIREE HAD AT THE TIME OF RETIREMENT DIVIDED BY 264; AND

9 2. THE DIFFERENCE BETWEEN \$35,000 AND THE RETIREE'S
10 ANNUAL SPECIAL DISABILITY RETIREMENT ALLOWANCE AS OF JULY 1, 2004.

11 (3) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION, A BENEFICIARY
12 OF A RETIREE DESCRIBED IN PARAGRAPH (2)(I) OF THIS SUBSECTION WHO IS
13 RECEIVING AN ANNUAL SPECIAL DISABILITY RETIREMENT ALLOWANCE THAT IS NOT
14 MORE THAN \$17,500 AS OF JULY 1, 2004, SHALL RECEIVE AN INCREASE TO THE
15 BENEFICIARY'S ANNUAL SPECIAL DISABILITY RETIREMENT ALLOWANCE EQUAL TO
16 50% OF THE AMOUNT THE RETIREE'S ADJUSTMENT WOULD HAVE BEEN UNDER
17 PARAGRAPH (2)(II) OF THIS SUBSECTION.

18 (4) EACH FISCAL YEAR, THE BOARD OF TRUSTEES SHALL INCREASE THE
19 ADJUSTMENT UNDER THIS SUBSECTION BY MULTIPLYING THE ADJUSTMENT
20 RECEIVED BY THE RETIREE OR THE BENEFICIARY AS OF JULY 1, 2004, BY A FRACTION
21 THAT HAS:

22 (I) AS ITS NUMERATOR, THE CONSUMER PRICE INDEX FOR THE
23 CALENDAR YEAR ENDING DECEMBER 31 OF THE PRECEDING FISCAL YEAR; AND

24 (II) AS ITS DENOMINATOR, THE CONSUMER PRICE INDEX FOR THE
25 CALENDAR YEAR ENDING DECEMBER 31, 2003.

26 SECTION 2. AND BE IT FURTHER ENACTED, That the benefit enhancement
27 provided for in Section 1 of this Act shall be funded by that portion of the actuarial
28 value of the assets of the fund that exceed the actuarial liabilities of the fund for the
29 State Police Retirement System, as reported by the State Retirement and Pension
30 System.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 July 1, 2004.